

780 CMR SECTION R6.5

780 CMR R6.5 CONTRACTS

R6.5.1 Contract in Writing: Every agreement between a home improvement contractor and an owner to perform residential contracting services in an amount in excess of \$1,000 shall be in writing.

R6.5.2 Contents of Contract:

R6.5.2.1 Documents and information: Every agreement to perform residential contracting services in excess of \$1,000 shall include, but not be limited to, the following documents and information:

1. the complete agreement between the owner and the contractor and a clear description of any other documents which are or shall be incorporated into said agreement;
2. the full names, federal ID number if applicable, (exclusive of social security number), address (exclusive of post office box addresses), registration number of the home improvement contractor, the name(s) of the salesperson(s), if any, who solicited or negotiated the contract and the date when said contract was executed by the parties;
3. the date on which the work under the contract is scheduled to begin and the date on which said work is scheduled to be substantially completed;
4. a detailed description of the work to be done and the materials to be used;
5. the total amount agreed to be paid for the work to be performed under the contract;
6. a time schedule of payments to be made under said contract and the amount of each payment stated in dollars, including all finance charges, if any. Any deposit required under the contract to be paid in advance of the commencement of work under said contract shall not exceed the greater of _ of the total contract price or the actual cost of any material or equipment of a special order or custom made nature, which must be ordered in advance of the commencement of the work, in order to assure that the project will proceed on schedule. No final payment shall be demanded until the contract is completed to the satisfaction of the parties thereto;
7. the signature of all parties shall be affixed to the contract;
8. there shall be a clear and conspicuous notice appearing in the contract stating:

Director

Home Improvement Contractor Registration

One Ashburton Place, Room 1301

Boston, MA 02108

(617) 727-8598

- b. the registration number of the home improvement contractor on the first page of the contract.
- c. the owner's three-day cancellation rights under M.G.L. c. 93, § 48; M.G.L. c. 140D, § 10 or M.G.L. c. 255D, § 14, as may be applicable.
- d. all warranties and the owner's rights under the provisions of 780 CMR R6 and M.G.L. c. 142A;
- e. in ten point bold type or larger, directly above the space provided for the signature, the following statement:
DO NOT SIGN THIS CONTRACT IF THERE ARE ANY BLANK SPACES
- f. whether any lien or security interest is on the residence as a consequence of the contract;

- (9) an enumeration of such other matters upon which the owner and the contractor may lawfully agree; provided, however that no such agreement may waive any rights conveyed to the owner under the provisions of 780 CMR R6 and M.G.L. c. 142A;
- (10) any other provision otherwise required by the applicable laws of the Commonwealth.

R6.5.2.2 Permit notice: Any contract entered into between a home improvement contractor and an owner shall contain a clause informing the owner of the following:

1. any and all necessary construction-related permits;
2. that it shall be the obligation of the home improvement contractor to obtain such permits as the owner's agent;
3. that owners who secure their own construction-related permits or deal with unregistered contractors will be excluded from the guaranty fund provisions of M.G.L. c. 142A;

R6.5.2.3 Acceleration of payment: No contract shall contain an acceleration clause under which any part or all of the balance not yet due may be declared due and payable because the holder deems himself to be insecure. However, where the contractor deems himself to be insecure he/she may require as a prerequisite to continuing said work that the balance of funds due under the contract, which are in the possession of the owner, shall be placed in a joint escrow account requiring the signatures of the home improvement contractor and owner for withdrawal.

R6.5.2.4 Copy to owner: At the time of signing, the owner shall be furnished with a copy of the contract signed by both the home improvement contractor and the owner. No work shall begin prior to the signing of the contract and transmittal to the owner of a copy of such contract.

R6.5.2.5 Arbitration: Any contract entered into between a home improvement contractor and owner may provide that the home improvement contractor may initiate alternative dispute resolution through any private arbitration services approved by the secretary, as provided in M.G.L. c. 142A; provided, that said alternative dispute resolution provision is clearly and conspicuously disclosed in the contract, in language designated by the secretary, and that each party separately signs and dates the provision, thereby assenting to the procedure. The following language and format is acceptable:

THE CONTRACTOR AND THE HOMEOWNER HEREBY MUTUALLY AGREE IN ADVANCE THAT IN THE EVENT THE CONTRACTOR HAS A DISPUTE CONCERNING THIS CONTRACT, THE CONTRACTOR MAY SUBMIT SUCH DISPUTE TO A PRIVATE ARBITRATION SERVICE WHICH HAS BEEN APPROVED BY THE SECRETARY OF THE OFFICE OF CONSUMER AFFAIRS AND BUSINESS REGULATIONS AND THE CONSUMER SHALL BE REQUIRED TO SUBMIT TO SUCH ARBITRATION AS PROVIDED IN M.G.L. c.142A.

Contractor

Owner

NOTICE: THE SIGNATURES OF THE PARTIES ABOVE APPLY ONLY TO THE AGREEMENT OF THE PARTIES TO ALTERNATIVE DISPUTE SETTLEMENT INITIATED BY THE CONTRACTOR. THE OWNER MAY INITIATE ALTERNATIVE DISPUTE RESOLUTION EVEN WHERE THIS SECTION IS NOT SEPARATELY SIGNED BY THE PARTIES.

R6.5.3 Dispute Resolution

R6.5.3.1 Court action: Any party may bring an action to enforce any provisions of 780 CMR R6 and M.G.L. c. 142A, in superior court, the district court, or the small claims division of the district court.

R6.5.3.2 Owner right to arbitration: In the alternative, an owner may request that a dispute resulting from and relating to residential contracting be decided under the terms of a private arbitration service approved by the secretary.

R6.5.3.3 Contractor right to arbitration: The home improvement contractor may initiate dispute resolution through private arbitration services approved by the secretary, provided: that the contract between the owner and the home improvement contractor contains such a clause as provided in 780 CMR R6.5.2.5.

R6.5.4 Validity of contract: Contracts which fail to comply with the requirements of 780 CMR R6 and M.G.L. c. 142A shall not be invalid solely because of noncompliance.

Link to AGO?